Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
2000 Biennial Regulatory Review --	)	CC Docket No. 00-199
Comprehensive Review of the	)	
Accounting Requirements and	)	
ARMIS Reporting Requirements for	)	
Incumbent Local Exchange Carriers:	)	
Phase 2 and Phase 3	)	

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of its local and long distance divisions, submits these Reply Comments to the comments filed on July 16, 2001, in Phase 2 of the Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers ("ILECs"), pursuant to the Public Notice issued by the Commission in DA 01-1403.[1]

Sprint agrees with the comments that the Commission should not add an Account 6551 for interconnection expenses.[2] As stated in these comments, and in Sprint's comments in the original Phase 2 proceeding,[3] it would be extremely burdensome to identify interconnection expenses and allocate them into this account. The benefit of identifying actual interconnection expenses could not possibly approach the burdens. The benefits are especially questionable given the fact that the process for pricing interconnection-related

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[1] Comments were originally filed in response to the *Notice of Proposed Rulemaking ("NPRM")* in the above referenced docket, released on October 18, 2000, as FCC 00-364.
[2] BellSouth Comments at 2; SBC Comments at 2-3; USTA Comments at 6-9; Verizon Comments at 3-4.
[3] Sprint Comments at 9 (December 21, 2000).

expenses is based on forward-looking costs, while Part 32 accounts reflect actual embedded costs.

Sprint's comments opposed the elimination of Account 5084, State access revenues.[4] Eliminating Account 5084 would result in intrastate access revenues being combined with interstate end user, switched and special access revenues. There is no meaningful advantage in this change. Nor is there evidence of a regulatory benefit in subdividing state access revenues. However, since carriers today track access revenues by jurisdiction, there are costs to revise computer systems to handle a new method for assigning intrastate access revenues. Further, as noted by WorldCom, the Commission must revise Rule 36.213 and the ARMIS 43-04 Report to provide for reporting of intrastate access revenues in the current interstate accounts.[5] In sum, the costs of eliminating Account 5084 are not worth the benefits.

The Public Service Commission of Wisconsin requests that numerous plant accounts be further divided into loop and interoffice transport subaccounts. Apportioning investment between loop plant and transport is a separations function, covered by Part 36 of the Commission's rules, and is not properly an accounting function under Part 32. Thus, there is no need to perform this function within Part 32 accounts when it is already performed under Part 36 separations. Further, the Commission's recent order freezing the Part 36 category relationships for price cap carriers stabilizes these investments and reduces the significance of analyzing loop and transport allocations.[6]

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[4] Sprint Comments at 3.
[5] WorldCom Comments at 1-2.
[6] S*ee In the Matter of Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Report and Order, FCC 01-162 (rel. May 22, 2001).

Respectfully submitted,

SPRINT CORPORATION

By ___________//s//________________

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CERTIFICATE OF SERVICE

I, Joyce Walker, hereby certify that I have on this 26th day of July 2001, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Reply Comments of Sprint Corporation" In the Matter of 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, CC Docket No. 00-199, filed this date with the Secretary, Federal Communications Commission, to the persons on the attached service list.

//s//

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